

Cyxone receives in total SEK 21.8 million in proceeds from fully utilized investment option agreement with Dr. Kalev Kask

Cyxone AB (publ), a Swedish biotech company dedicated to developing improved treatments for autoimmune diseases, announces today that the investment option agreement with Dr. Kalev Kask has been fully utilized through a third and final utilization of the investment option. The three directed share issues carried out under the agreement brings the company a gross proceed of SEK 21.8 million in total, whereof, SEK 1.8 million has already been received through earlier utilizations. This will cover most of the costs for the planned phase 2 clinical study of Rabeximod in Covid-19 patients. This means that other ongoing projects will not be affected. The study is planned to start in the fourth quarter of 2020.

The investment option agreement is part of the negotiated payment to Dr. Kask for acquiring the exclusive rights to a new patent application for which he is the inventor. This patent application is considered to be instrumental for building value in the parties' joint project to develop a new treatment for Covid-19. The agreement is described in more detail in a press release issued on 10 June 2020.

“We are extremely pleased with the final outcome of this investment option agreement. Not only has it enabled us to acquire the rights to a key patent application that will be instrumental for building value in our new Covid-19 project, but has also provided us with most of funding for the planned phase 2 study”, comments CEO Tara Heitner.

To deliver shares under the option agreement, Cyxone's board of directors has today resolved on a third and final directed share issue of 4,490,888 shares. The resolution is passed by virtue of the authorization from the annual general meeting held on 4 June 2020.

In total, the three share issues carried out under the investment option agreement brings Cyxone a gross proceed of SEK 21,8 million and result in a dilution of 9.02 percent in relation to the number of shares and votes in the company after registration of the private placement.

The option terms were set to reflect the value of the acquired patent, and the exercise price per share of SEK 4.45 corresponds to 100% of the volume weighted average price during a 10-day period before entering into the agreement.

Advisors

Aqurat Fondkommission AB acts as issuing agent and Fredersen Advokatbyrå AB as legal advisors.

Disclaimer

This is a translation of the original Swedish version of the press release. In case of any discrepancy between this translation and the Swedish original, the latter shall prevail.

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About Cyxone

Cyxone AB is a clinical stage biotech company with a portfolio of immunomodulating drugs for the treatment of immune disorders such as multiple sclerosis (MS), rheumatoid arthritis (RA) and Covid-19. The company's drug portfolio is based on two technological pillars in the form of orally available molecules and cyclotide-based drugs that inhibit key processes in the body's cells that are typically associated with various immune-related disorders. Cyxone's technologies have the potential to address an unmet need and provide new effective and safe medicines that can improve the quality of life for patients affected by autoimmune diseases. The company has two drug candidates, T20K for MS in clinical phase I program and Rabeximod for RA and Covid-19 in clinical phase II program. Cyxone's Certified Adviser on the Nasdaq First North Growth Market is Mangold Fondkommission AB, +46 (0)8-503 015 50, ca@mangold.se. www.cyxone.com